Appl. No. 10/821,408
Amdt. dated February 27, 2009
Reply to Office Action of November 28, 2008

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<u>REMARKS/ARGUMENTS</u>

Prior to the entry of this Amendment, claims 1-28 were pending in this application. Claims 1 and 17 have been amended, no claims have been added, and no claims have been canceled herein. Therefore, claims 1-28 remain pending in this application. The Applicants respectfully request reconsideration of these claims, as amended, for at least the reasons presented below.

<u>35 U.S.C. § 101 Rejections, Non-statutory matter</u>

The Office Action has rejected claims 1-28 under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. More specifically, the Office Action argues that claims 1 and 17 recite "merely software" and further argues that software, without a computer-readable medium storing that software, is merely nonfunctional descriptive material. As an initial matter, the Applicants note that amendments have been made herein that are thought to overcome the reasons for the rejection. Specifically, independent claim 1, upon which claims 2-16 depend, and independent claim 17, upon which claims 18-28 depend, have been amended to recite a processing component of a check approval service. These amendments are thought to provide the recitation of a particular apparatus. The Applicants also respectfully note that these claims also recite a special rules database. The Applicants also contend that claims 1-28, as amended, conform with the test recently established by the Court of Appeals for the Federal Circuit in <u>In re Bilski</u>, ___ F.3d ___ (Fed. Cir. October 30, 2008) ("A claimed process is surely patent-eligible under §101 if: (1) it is tied to a particular machine or apparatus <u>or</u> (2) it transforms a particular article into a different state or thing."). In claims 1-28, the processes are tied to the processing component of the check approval service and the special rules database which are particular machines or apparatuses. Therefore, the Applicants respectfully request withdrawal of the rejection.

35 U.S.C. § 102 Rejections, Templeton

The Office Action has rejected claims 1-28 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent Publication No. 2003/0130919 of Templeton et al. (hereinafter "Templeton"). The Applicant respectfully submits the following arguments pointing out significant differences between claims 1-28 submitted by the Applicants and Templeton.

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." MPEP 2131 citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Applicants respectfully argue that Templeton fails to disclose each and every claimed element. For example, Templeton fails to disclose, either expressly or inherently, settling a transaction based on a special rule defining a strategy for handling a promissory payment or for transferring funds from the customer's financial institution as recited in the pending claims.

Templeton is directed to "systems and methods . . . for selectively incorporating information received from a demand deposit account (DDA) associated with a given check transaction into a risk assessment requested by a merchant for the transaction." (paragraph 21) More specifically, Templeton notes that "in some cases, the paper check received by the merchant from the check-writer is scanned, or otherwise processed, to produce an electronic version of the check, and it is the electronic version that is processed for settlement." (paragraph 58) Templeton states that "when the check is processed in electronic form, settlement of the check may take place by direct communication with the issuing bank or via a third party bank access service, among other available settlement paths, as will be described in greater detail with reference to FIG. 13 below." (paragraph 58)

Beginning at paragraph 155, Templeton describes a "Selective Determination of DDA Settlement Path" process. Specifically, when dealing with checks in electronic form,

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Templeton notes that settlement can be performed through different paths, i.e., via the federal reserve system, directly with the issuing bank, or via a third party entity. (paragraph 161) The "settlement choice engine" of Templeton selects the path for settlement. (paragraph 161) "In general, the settlement engine aims to identify a preferred path given the context of the current check to be settled, by weighing and balancing the costs of utilizing a given settlement path with the advantages and services provided by the settlement path while taking into consideration any agreements made with the check-holder." (paragraph 168) That is, the settlement choice engine of Templeton selects a settlement path by weighing factors such as costs to the check-holder, not based on whether transactions of a customer are subject to a special rule.

In response to these arguments, the Office Action continues to cite the settlement path determination of Templeton as allegedly teaching the claimed recitation. However, the Applicants respectfully disagree and contend that the teachings of Templeton relied upon by the final Office Action do not in fact describe settling a transaction based on a special rule related to a customer's transactions as recited in the pending claims. Rather the settlement path determination of Templeton cited by the final Office Action describes a determination that is applied to transactions regardless of the individual customer. As noted above, selection of a settlement path under Templeton is made bases on considerations of factors such as costs to the check-holder, not based on whether transactions of a customer are subject to a special rule.

Further, in an attempt to demonstrate a teaching of the recited special rules, the Office Action cites the negative databases of the check approval service of Templeton as allegedly describing the recited special rules database. The Applicants respectfully contend that Templeton does not disclose, expressly or inherently, these databases of Templeton can include rules defining a strategy for handling a promissory payment or for transferring funds from the customer's financial institution as recited in the pending claims. Rather, the negative databases of Templeton include "information regarding previously accepted 'bad checks.'" (paragraph 66) However, nothing in Templeton suggests that this information includes or defines a strategy for handling a payment. Furthermore, these databases are not used to select a settlement path.

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Rather, the information of the databases are used to identify frequent writers of bad checks and to perform a risk analysis as part of an approval process for the transaction.

Claim 1, upon which claims 2-16 depend, recites in part "determining with the processing component whether the promissory payment can be submitted for subscriber settlement by evaluating a special rules database to determine whether transactions of the customer are subject to a special rule, wherein the special rules database comprises a plurality of records associated with customers, a plurality of records associated with financial institution accounts, a plurality of records associated with financial institution branches, and a plurality of records associated with past financial transactions and wherein each record of the special rules database is associated with a rule defining an alternative resolution strategy for handling the promissory payment." Templeton does not disclose, expressly or inherently, determining whether the promissory payment can be submitted for subscriber settlement by evaluating a special rules database to determine whether transactions of the customer are subject to a special rule, wherein the special rules database comprises a plurality of records associated with customers, a plurality of records associated with financial institution accounts, a plurality of records associated with financial institution branches, and a plurality of records associated with past financial transactions and wherein each record of the special rules database is associated with a rule defining an alternative resolution strategy for handling the promissory payment. For at least these reasons, the Applicants respectfully request withdrawal of the rejection and allowance of claims 1-16.

Claim 17, upon which claims 18-28 depend, recites in part "evaluating the electronic profile with the processing component using a special rules database having previously stored electronic information relating to the customer in a manner so as to identify a special rule; and requesting settlement of the financial transaction with the customer's financial institution from the processing component using the electronic profile and the special rule, wherein the special rule identifies the manner in which the funds can be transferred from the customer's financial institution." Templeton does not disclose, expressly or inherently,

evaluating the electronic profile using a special rules database having previously stored

electronic information relating to the customer in a manner so as to identify a special rule; and

requesting settlement of the financial transaction with the customer's financial institution using

the electronic profile and the special rule, wherein the special rule identifies the manner in which

the funds can be transferred from the customer's financial institution. For at least these reasons,

the Applicants respectfully request withdrawal of the rejection and allowance of claims 17-28.

35 U.S.C. § 103 Rejection, Templeton in view of Allan

The Office Action has rejected claim 14 under 35 U.S.C. § 103(a) as being

unpatentable over Templeton in view of U.S. Patent Publication No. 2003/0055756 to Allan

(hereinafter "Allan"). The Applicants respectfully request withdrawal of the rejection and

allowance of the claim for at least the reason that claim 14 depends upon a base claim that is

thought to be allowable as discussed in detail above.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this

Application are in condition for allowance. The issuance of a formal Notice of Allowance at an

early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of

this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

_____/William J. Daley/_____
William J. Daley
Reg. No. 52,471

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TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834
Tel: 303-571-4000
Fax: 415-576-0300

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